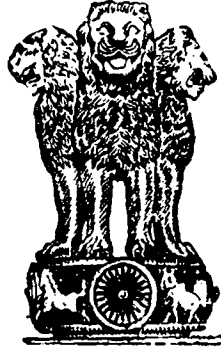


GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE



REPORT OF THE  
INDIAN TARIFF BOARD  
ON THE  
CONTINUANCE OF PROTECTION  
TO THE ALLOY, TOOL AND  
SPECIAL STEELS INDUSTRY

BOMBAY

1949

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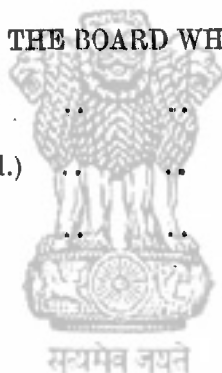
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## REPORT ON THE CONTINUANCE OF PROTECTION TO THE ALLOY, TOOL AND SPECIAL STEELS INDUSTRY.

1. The case of the alloy, tool and special steels industry for protection or assistance, was for the first time referred to the interim **Previous tariff inquiry.** Tariff Board for inquiry, by the Government of India in the late Department of Commerce, in their Resolution No. 218-T(55)/45 dated 12th October 1946. The Board after due inquiry, submitted its report on the 19th June 1947. The Board considered that the alloy, tool and special steels industry qualified for the grant of protection and made the following recommendations :—

- (i) " A protective duty of 30 per cent *ad valorem* should be imposed on imported special steels of British manufacture, which should remain in force up to 31st March 1949. The corresponding duty on non-British steel should, if necessary, be adjusted according to the terms of the Indo-British Trade Agreement, 1939. "
- (ii) " The estimated fair selling price is Rs. 718·53 per ton of 3½ per cent nickel steel, Rs. 4·51 per lb. of 18% tungsten high speed steel and Rs. 5·33 per lb. of 5 per cent cobalt steel. The fair selling price for stainless steel suggested by the Tariff Board is Rs. 1·53 per lb. These prices should remain valid up to 31st March 1949, and the matter should be re-examined towards the end of 1948. "
- (iii) " For the period ending 31st March 1949, import control should continue and the policy of orderly disposal of Government stocks and import control and the fixation of ceiling prices as recommended by the Board should be adopted. "
- (iv) " An assurance of protection should be given to the industry for the period ending 31st March, 1950 "
- (v) " Tariff item No. 63 (30) should be re-classified as follows :—

Item No.	Name of article	Nature of duty	Standard rate	Duration of the duty
63 (30)	Alloy, tool or special steel rods or bars of the following categories, but excluding precision ground and polished bars, bright drawn bars, blue reeled bars, and silver steel finish bars :— (i) High speed steels—steels containing more than 13% tungsten (ii) Stainless and heat resisting steels—steels containing more than 11% chromium (iii) Other alloy steels containing any of the following and not included in categories (i) or (ii) : 0·40% or more of chromium or nickel ; 0·10% or more of molybdenum, tungsten or vanadium ; or 10·00% or more of manganese	.. .. Protective	.. .. 30% <i>ad valorem</i>	.. .. March 31st, 1949.

**N.B.**—The duty is applicable to special steels of British manufacture. The corresponding duty on non-British steels should, if necessary, be adjusted according to the terms of the Indo-British Trade Agreement.

(vi) "The duty on all future imports of machinery required by the industry should be refunded".

(vii) "Manufacturers of these special steels should maintain separate and detailed cost data".

Government's decision on the Board's report was incorporated in the Ministry of Commerce resolution No. 218-T/B(10)/47, dated 13th March 1948. In this resolution, Government accepted the Board's recommendations (i), (ii), (iv) and (v). As regards recommendation (iii), it was stated that the matter was under consideration. Subsequently, however, the Board was informed by the Iron and Steel Controller that the policy of disposal of Government stocks of alloy, tool and special steels and import control in respect thereof, had been so operated as to give full scope for production to the indigenous industry. As to the fixation of ceiling prices as recommended by the Board, (*vide* recommendation (iii)) although Government had not passed any specific orders on the subject, we were informed that the Tata Company, who were the main producers of these articles, had in practice fixed their f.o.r. Tatanagar prices for three categories of protected steels at the rates determined by the Board and for the remaining category, *viz.*,  $3\frac{1}{2}$  per cent nickel steel, at Rs. 636 per ton as against Rs. 718.53 per ton recommended by the Board. As regards recommendation (vi), the recent decision of Government to reduce the duty on all imports of machinery from 10 per cent. to 5 per cent. *ad valorem* meant, in effect, a partial acceptance of this recommendation. As regards recommendation (vii), the Tata Company has implemented it by deciding to maintain, with effect from 1st April 1948, separate and detailed cost data in respect of alloy, tool and special steels.

2. It will have been seen from paragraphs 3 and 4 of the Government Resolution that, although an assurance of protection Reference to the Board, has been given to the industry for the period ending 31st March 1950, the protective duty and fair selling prices recommended by the Board are due to remain in force up to 31st March 1949. It was thus necessary that the question of the rate of protective duty and that of fair selling prices to be adopted after 31st March 1949, should be re-examined. Consequently, the Ministry of Commerce, in their letter No. 134-T(19)/47, dated 11th June 1948, requested the Board, *inter alia*, to inquire into and report on the question of the continuance of protection to the alloy, tool and special steels industry after 31st March 1949.

3. The terms of reference for this inquiry are stated in paragraph 2 of the Ministry of Commerce Resolution No. 30-T(1)/48, dated 6th August 1948 (*vide* Appendix I). In this Resolution, the Board is authorised to maintain a continuous watch over the progress of protected industries by conducting inquiries, as and when necessary, on the effect of the protective duties or other means of assistance granted, and advise Government regarding the necessity or otherwise of modifying the protection or assistance granted. The Board is also authorised to keep a careful watch to ensure that conditions attached to the grant of protection are fully implemented and that the protected industries are being run efficiently.

4. As already stated in paragraph 2, the object of this inquiry is to determine what should be the measure of protection and what should be the fair selling prices for the protected

Scope of inquiry.

categories of alloy, tool and special steels, after 31st March 1949. A large variety of alloy, tool and special steels is produced in the country. The Tata Company, the principal manufacturer of special steels in the country, is now producing as many as thirty-two different brands of these steels. It was not possible to cost all these types of special steels. It was, therefore, decided that, as in the previous inquiry of 1947, only four popular and representative types of special steels should be costed. These were : (i) 18% tungsten high speed steel (18% W—4% Cr.—1% V), (ii) 5% cobalt steel (18% W—4% Cr.—1% V—5% Co.), (iii) stainless steel (18% Cr.—8% Ni.) and (iv) 3½% nickel steel. It was also decided that the costs of production of special steels at the Tata Company's Works at Jamshedpur should be taken as representative.

5. The Board issued a special questionnaire (Appendix II) to the two main producers, namely, the Tata Iron and Steel

Method of inquiry.

Company, Limited, Bombay, and the Mysore Iron and Steel Works, Bhadravati, on 19th and 20th January, 1949, respectively. A similar questionnaire (*vide* Appendix III) was later issued to the Ordnance Factory, Ishapore, on 1st February, 1949. Besides, special questionnaires were issued to leading importers and consumers (*vide* Appendices IV and V). A special questionnaire was also issued to the Iron and Steel Controller to elicit information on estimated demand, the operation of import control, disposal of Government stocks and planning of orders on the Tata Iron and Steel Company, Limited, in respect of the protected categories of alloy, tool and special steels (*vide* Appendix VI). A list of those to whom questionnaires were issued and who replied thereto, will be found in Appendix VII. Mr. R. N. Kapur, Technical Adviser to the Board, and Mr. R. Sundaram, the Board's Cost Accounts Officer, visited the Tata Company's works at Jamshedpur in February, 1949. A public inquiry was held in Bombay on 24th February, 1949. A list of those who tendered evidence at the public inquiry is given in Appendix VIII.

6. (a) So far as equipment and productive capacity of the industry are concerned, there has been practically no progress since

Progress of the industry.

the last inquiry. The Tata Iron and Steel Company is the largest manufacturer of alloy, tool and special steels. At this Company's works at Jamshedpur, there are two units, namely, (i) the tool steel plant, and (ii) the electric arc furnace plant. The tool steel plant consists of a half-ton high frequency induction furnace, for the manufacture of high speed steels, (steels containing 13 per cent. or more of tungsten), stainless and heat resisting steels (steels containing more than 11 per cent. Cr.) and alloy, tool and die steels (of the high alloy type) ; three hammers for the forging of these steels ; two planers and two lathes for machining ; two swing grinders for grinding off the surface defects and a power hack saw. Besides there are two annealing furnaces and two pre-warming and two high temperature re-heating furnaces. The electric high frequency induction furnace process is the most recently developed steel making process and is eminently

suited for the manufacture of high-quality steels. The equipment at the tool steel plant for subsequent processing ensures the careful handling required for the manufacture of these steels. There are nineteen brands of high quality steels manufactured at the tool steel plant. At the electric arc furnace plant, thirteen brands of steels are manufactured. These comprise alloy, tool and die steels (of the low alloy type), constructional steels (mostly nickel alloy steels), high manganese steels and mint die steel. It may be noted that, besides these thirteen brands of special steels, there are also other types of steels which are made at the electric arc furnace plant. That is to say, the production of these thirteen brands of steels forms only a part of the total production of steels at this plant. The ingots made at this plant are, however, taken to the rolling mills of the main works for subsequent rolling and processing ; and these ingots are rolled and processed in the rolling mills with greater care and at a slower speed than mild steel. Besides the Tata Company, the Mysore Iron and Steel Works, Bhadravati, also produces small quantities of high speed steels as an experimental measure, but its entire production is used to meet the Work's own requirements. The Ordnance Factory, Ishapore, also manufactures alloy, tool and special steels.

(b) At the tool steel plant of the Tata Company, there are at present no rolling mills for rolling the high quality special steels manufactured at the plant. The steels are, therefore, forged instead of being rolled. This is a slightly wasteful process. Better yields could be obtained by rolling these steels on mills specially designed to roll them. In the absence of a proper rolling mill, the number of forging and subsequent operations is large. This not only lowers the yield but also increases the cost. Moreover, the finish of the material is not entirely satisfactory and there are complaints of the bars being under-sized or over-sized and not being perfectly straight or perfectly round. The Company has, however, placed orders for a skinning lathe and a reeling machine, which are due to arrive within a few months. With the installation of these machines, it is expected that the bars will have better finish and will be more straight and round, as the case may be. The Company has also engaged a German technician exclusively for tool steels and has deputed two of its technical officers to the United Kingdom for training in the technique of tool steel manufacture.

(c) At the time of the previous inquiry, the Tata Company informed the Board that it had practically completed negotiations with a leading British firm for obtaining technical aid regarding research and development and that it was contemplating the formation of a new company with a capital of Rs. 1 crore with a view to installing an up-to-date plant with a capacity of 4,000/5,000 tons per annum. The Company has now informed us that, due to the unsettled financial and economic conditions following upon the partition of the country, it has become difficult for it to embark upon an enterprise involving investment of one crore of rupees. The Company has also stated that, in view of the introduction of the Bill for the nationalisation of the Iron and Steel industry in the United Kingdom, the British firm has advised the Company that it would prefer to obtain the formal permission of the British Government before concluding the proposed technical aid agreement. The Company has informed us that, due to these uncertainties at both ends and owing to financial



stringency in the country, it has found it necessary to go slow with the project. At the time of the last inquiry, the Mysore Iron and Steel Works had also informed the Board that it had a plan to install a modern 200 K.W. high frequency furnace, the production of which would be sufficient to meet the demand for special steels in South India. We have been informed that this project was ultimately found to be unsuitable to the special conditions of the Mysore Iron and Steel Works, but that the management is now exploring the possibility of installing a tool steel plant with a capacity of one ton per day.

(d) Since the last inquiry held in June, 1947, the Tata Company has taken steps to popularise its special steels. For that purpose it has evolved thirty-two distinct brands of Tata special steels. The Company has also set up a special organization to contact the consumers and explain to them the correct processing of its steel. The representatives of the consumers informed the Board that they were satisfied with the quality of Tata special steels. They, however, stated that they had been sometimes unable to obtain the requisite sizes and sections from the Tata Company, that some of the bars supplied by the Company were not straight and/or of the correct size, and that in a number of cases there had been unusual delay in effecting delivery of the steels indented for. The representatives of the Tata Company admitted that for a few months there had been unusual delay in the delivery of special steels but explained that this was due to a temporary breakdown of a hammer and assured the Board that, the machine having been repaired, such delays would not occur in future. The Company also informed the Board that, with the installation of a skinning lathe and a rolling machine at the tool steel plant at an early date, the high speed steel bars would be more straight and round and have better finish. The Company also agreed to maintain adequate stocks of several standard sections and sizes of special steels in order to meet promptly the consumers' demands for small lots.

(e) It was stated in paragraph 6 of the Tariff Board report of 1947 that all the ferro-alloys except ferro-manganese and ferro-silicon and all the non-ferrous metals required for the special steels industry were imported and that the remaining raw materials, viz., synthetic pig iron, plain carbon and alloy steel scrap, lime and flourspar were produced in the country. That position remains unaltered. In the meantime, however, there have been two important changes regarding the condition of supply ; firstly, Government stocks of ferro-alloys and non-ferrous metals built up during war time are no longer large and the Tata Company is not required to buy its requirements of those materials from Government stocks at prices which, at the time of the last inquiry, were found to be higher than market prices ; and, secondly, as recommended by the Tariff Board in its report on the non-ferrous metals industry, the 30 per cent. import duty on nickel and nickel scrap, cobalt, chromium and tungsten was removed by Government under their Resolution No. 218-T(36)/47 dated 11th June, 1948, thereby enabling the manufacturers of special steels to obtain these non-ferrous metals free of duty.

7. At the previous Tariff Board inquiry held in 1947, the demand for the protected categories of alloy, tool and special steels was estimated as follows :—

Category of steel	Estimated current demand	Estimated demand during the next three years.
	Tons	Tons
High speed steels .. .. .	300	350
Stainless and heat resisting steels (bars) .. .. .	150	225
Other alloy steels .. .. .	2000	3250
	2450	3825

At the present inquiry, the Board made an attempt to estimate the demand afresh. At its request, the Director, Tool and Alloy Steels, in consultation with the Iron and Steel Controller, prepared an estimate of demand for these categories of steels during the next three years. This estimate is as follows :—

High speed steel excluding 10% tungsten hot die steel .. .. .	Tons
Stainless steel bars .. .. .	200
Alloy, tool and die and die block steels including 10% tungsten hot die steel .. .. .	75
Alloy constructional steels .. .. .	1000
	1000
Total .. .. .	2275

This estimate was discussed at the public inquiry and it was agreed that though it might be regarded as a fairly correct estimate for the current year, the demand was likely to increase by about 10 per cent. in the next two years. The estimated demand in the country may, therefore, be taken to be between 2,275 and 2,500 tons per annum.

8. (a) The following table shows the annual capacity and the annual production of protected categories of steels at the Tata Company's works :—

Category of steel	Annual capacity	Actual quantities manufactured		
		1946-47	1947-48	April/Dec. 1948 (9 months)
	Tons	Tons	Tons	Tons
High speed steels .. .. .	200/250	25	30	55
Stainless and heat resisting steels (bars) .. .. .	100/120	27	22	16
Other alloy steels (tool and constructional) .. .. .	1120/1250	217	600	1207
Total .. .. .	1420/1620	269	652	1278

It will be observed that, though there was an overall increase in production from

year to year, specially in the period April/December 1948, the increase took place mostly in the production of 'other alloy steels'. Thus, while the production of 'other alloy steels' in the period April/December 1948 showed an increase of more than 100 per cent. over that in 1947-48, the corresponding increase in the production of high speed steel was 25 tons or about 83 per cent, while in the production of stainless and heat resisting steels there was a decrease from 22 tons to 16 tons. It will also be observed that, while the production of 'other alloy steels' in April/December 1948 was up to capacity, that of high speed steels came to about 25 per cent. of capacity and that of stainless steels to about 16 per cent. of capacity. We have been advised that production of high speed steels and stainless and heat resisting steels is technically more difficult than that of 'other alloy steels', but that the production of the former types of steel is far more important to the country's economy than that of the latter. In explaining the reasons for this marked disparity in the production of different types of special steels, the Tata Company stated that this was largely due to the fact that the demand for high speed steels and stainless steels was made up of very small orders which did not make it worth while for the Company to manufacture them. We do not consider that this explanation is satisfactory, because if the Company maintained reasonable stocks of popular sections and sizes, it could meet the consumers' demand for small lots. We recommend that the Tata Company should take steps to increase its production of high speed and stainless steels and maintain reasonable stocks of standard sections and sizes and thereby meet the consumers' requirements for those steels to a greater extent than it has hitherto done.

(b) The figures of production for alloy, tool and special steels at the Mysore Iron and Steel Works since July 1947 are stated below :—

Category of steel	July 1947 to June 1948	July to Dec. 1948 (6 months)
	Tons	Tons
(i) High speed steel .. .. .	1.50	0.75
(ii) Manganese steel .. .. .	61.65	15.55
(iii) Other special steels (mainly consisting of carbon steel rolls and chromium steel rings and rollers for coal crushers)	137.85	39.95
Total ..	201.00	56.25

All the output of the factory is, however, used to meet the works' own requirements. It will be observed that category (iii) in the above list consists of steel castings which do not come within the purview of the inquiry.

(c) The figures of production of alloy, tool and special steels at the Metal

and Steel (Ordnance) Factory at Ishapore since April 1947, are stated below :—

						April 1947— March 1948	April—Dec. 1948 (9 months)
						tons cwt.	tons cwt.
Alloy steels	..	..	..	..	..	480 2	246 19
Tool steels	..	..	..	..	..	31 13	251 17
Special steels	..	..	..	..	..	22 1	87 18
						533 16	536 14

9. (a) The costs of production at the Tata Company's Works during the period October/December, 1948, were examined by the Cost Accounts Officer in respect of the four protected categories of special steels, namely, 18 per cent. tungsten high speed steel, 5 per cent. cobalt steel, 18 per cent. Cr. and 8 per cent. Ni. stainless steel and 3½ per cent. Nickel steel. The details of the costs are embodied in the Cost Report. As the Tata Company desired that the details of its costs should not be published, the Cost Report is being forwarded to Government as a separate confidential enclosure to this Report.

(b) At the previous inquiry, the four protected categories of special steels were costed in respect of size ¾" squares. During this inquiry, the Board was advised that the greater part of the demand in the country was in respect of the group '¾" to 2¾" squares' and that most of the imports also fell within this group. Accordingly, cost investigation was carried out in respect of sizes (i) ¾" squares and (ii) '¾" to 2¾" squares'. For a comparison with the c.i.f. prices of imports, however, the group '¾" to 2¾" squares' only was adopted. In preparing the estimate of costs of production for 1949-50, the quantities of raw materials required were taken to be the same as in the period October/December 1948 and their prices were taken at the weighted average rates for the Company's stocks as on 1st February 1949, after making due allowance for the expected arrivals. The manufacturing expenses were assumed to remain constant.

(c) For the purpose of cost estimate, the yield was taken to be 47·20 per cent. for high speed steel, 51·29 per cent. for cobalt steel, 49·74 per cent. for stainless steel and 62·95 per cent. for 3½ per cent. nickel steel. This was agreed to by the representatives of the Company.

(d) A careful examination of the available data showed that the total for overheads and return on fixed capital would amount to 40·4 per cent. of the

works costs, as per details given below :—

(a) Sales and servicing .. .. .	8.2%
(b) Laboratory and research .. .. .	4.3%
(c) Inspection, shipping and branding, etc. .. .. .	4.2%
(d) Grade increase in salaries .. .. .	1.8%
(e) Profit-sharing bonus .. .. .	5.0%
(f) Head office expenses .. .. .	1.7%
(g) Depreciation .. .. .	6.4%
(h) Interest on working capital .. .. .	2.0%
(i) Return on fixed capital .. .. .	6.8%
<b>Total .. .. .</b>	<b>40.4%</b>

In this connection, it may be mentioned that the original block of the tool steel plant has been estimated at Rs. 13,93,322; depreciation on this was allowed at income-tax rates. Working capital has been taken as equivalent to 6 months' cost of production and interest thereon allowed at 4 per cent. per annum, and this amounts to 2 per cent. on the works cost. Return on the fixed capital has been allowed at 10 per cent. on the gross block, and this amounts to 6.8 per cent. of the works cost.

(e) On the basis indicated above, the fair ex-works prices of the four protected categories of steel are estimated as follows :—

*Fair ex-works prices of special steels.*

Details	Year 1949-1950			
	18% T.H. S. Steel ( $\frac{1}{2}$ " to $2\frac{1}{2}$ " squares).	5% Co- balt steel ( $\frac{1}{2}$ " to $2\frac{1}{2}$ " squares).	18% Cr.- 8% Ni. stainless steel ( $\frac{1}{2}$ " to $2\frac{1}{2}$ "	31% Nickel steel ( $\frac{1}{2}$ " to $2\frac{1}{2}$ "
	(i)	(ii)	(iii)	(iv)
	per lb.	per lb.	per lb.	per ton.
	Rs.	Rs.	Rs.	Rs.
(a) Works cost .. .. .	3.146	3.481	1.336	393.04
(b) Add Depreciation, other overheads and return, totalling to 40.4% on (a) .. .. .	1.271	1.406	0.540	158.79
<b>Fair ex-works price .. .. .</b>	<b>4.417</b>	<b>4.887</b>	<b>1.876</b>	<b>551.83</b>

10. The protected categories of alloy, tool and special steels fall under item 63(30) of the first Schedule to the Indian Customs Existing rate of duty. Tariff Act XXXII of 1934 (as in operation on 1st

January 1949). The relevant extract from the Indian Customs Tariff (Twenty-ninth Issue) is reproduced below :—

Item No.	Name of article	Nature of duty	Standard rate of duty	Preferential rate of duty if the article is the produce or manufactured of			Duration of protective rates of duty.
				The U.K.	A British Colony	Burma	
60(30)	<p>Rods or bars of alloy, tool or special steel of the following categories, but excluding precision ground and polished bars, bright drawn bars, blue reeled bars and silver steel finish bars :—</p> <p>(1) High speed steel containing more than 13 per cent. tungsten.</p> <p>(2) Stainless and heat resisting steel containing more than 11 per cent. chromium.</p> <p>(3) Other alloy steels not included in category (i) or (ii) and containing any of the following :—</p> <p>(i) 0.40 per cent. or more of chromium- or nickel ;</p> <p>(ii) 0.10 per cent. or more of molybdenum, tungsten or vanadium ; or</p> <p>(iii) 10.00 per cent. or more of manganese.</p> <p>(a) of British manufacture</p> <p>(b) not of British manufacture</p>	<p>Protec- tive.</p> <p>Protec- tive.</p>	<p>30 per cent ad val.</p> <p>42 per cent ad val.</p>	<p>..</p> <p>..</p>	<p>..</p> <p>..</p>	<p>..</p> <p>..</p>	<p>March 31st 1949.</p> <p>March 31st 1949</p>

11. Imports of the protected categories of steel are subject to control. Statistics relating to imports of high speed steel from 1936-37 onwards, are given in Appendix IX. It will be seen from the statistics that the quantity of this steel imported in 1947-48 was 139 tons and from 1st April to 30th November 1948, 15 tons. Detailed statistics regarding imports of the other protected categories of steel are not available. In a memorandum dated 17th February 1949, furnished by the Director, Tool and Alloy Steels, it is stated that the quantities of protected categories of alloy,

tool and special steels licensed for imports from 1st August 1947 to 31st December 1948 are as follows :—

Category of steel	From 1-8-47 to 31-12-47 (in tons)	From 1-1-48 to 31-12-48 (in tons)
High speed steel .. .. .	13	89
Stainless steel .. .. .	1	50
Alloy constructional steels .. .. .	10	340
Alloy, tools and die steels .. .. .	2	365

Separate figures for the actual arrivals of these licensed imports are not available. From a review of licences and arrivals of all categories of foreign tool, alloy and special steels, protected or otherwise, for the year 1948, it is, however estimated by the Director, Tool and Alloy Steels, that the volume of actual arrivals of licensed imports is about 50 per cent. of the quantity licensed for imports.

12. A statement showing the latest landed costs with complete break-up into c.i.f. prices, customs duty and clearing and other charges of (i) 3½ per cent. nickel steel, (ii) 18 per cent. tungsten steel, (iii) 5 per cent. cobalt steel, and (iv) stainless steel, is given in Appendix X. It will be seen from the statement that the figures given by different importing firms vary. At the public inquiry, however, it was agreed that, for the purpose of comparison with the fair ex-works prices of indigenous steels, the figures of c.i.f. prices and landed costs given by the High Speed and Tool Steel Association of India, should be adopted. These figures are stated below :—

	(i) 18% Tungsten high speed steel (18% W 4% Cr. 1% V). (per lb.)	(ii) 5% Cobalt steel (18 W-4% Cr. 1% V-5% Co.) (per lb.)	(iii) Stainless steel (18% Cr. 8% Ni.) (per lb.)	(iv) 3½% Nickel steel (per ton.)
	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
C. i. f. price .. .. .	3 4 7	4 0 1	1 4 8	827 8 0
Customs duty at 30% .. .. .	0 15 9	1 3 3	0 6 2	248 2 0
Clearing and other charges .. .. .	0 1 9	0 2 2	0 1 4	53 12 0
Landed cost with duty .. .. .	4 6 1	5 5 6	1 12 2	1129 6 0
Landed cost ex-duty .. .. .	3 6 4	4 2 3	1 6 0	881 4 0
OR .. .. .	Rs. 3-396	Rs. 4-141	Rs. 1-376	Rs. 881-25

13. The difference between the fair ex-works prices and landed costs ex-duty, in respect of the four protected categories of steel, is shown in the following statement :—

*Comparative statement of the fair ex-works prices and landed costs of the protected categories of steel.*

Details	Year 1949-1950			
	18% T.H. S. steel $\frac{1}{2}$ " to $2\frac{1}{4}$ " squares.	5% Cobalt steel $\frac{1}{2}$ " to $2\frac{1}{4}$ " squares.	18% Cr.- 8% Ni. Stainless steel	3 $\frac{1}{2}$ % Nickel steel
	per lb.	per lb.	per lb.	per lb.
	Rs.	Rs.	Rs.	Rs.
1. Fair ex-works price .. .. .	4.417	4.887	1.876	551.83
2. Lowest c.i.f. price* .. .. .	3.284	4.007	1.292	827.60
3. Add Customs duty at 30% .. .. .	0.985	1.202	0.387	248.26
4. Add clearing charges .. .. .	0.112	0.134	0.084	53.75
5. Landed cost with duty (2+3+4) .. .. .	4.381	5.343	1.763	1129.50
6. Landed cost excluding duty (2+4) .. .. .	3.396	4.141	1.376	881.25
7. Difference between 1 & 6 .. .. .	1.021	0.746	0.500	(—) 329.42
8. Difference as % of c.i.f. price .. .. .	31.1	18.6	38.7	(—) 39.8

\*Based on the figures submitted by the High Speed and Tool Steel Association.

14. (a) *Protective Duty* : The comparative statement given in the previous paragraph would indicate a duty of 31.1% for 18% tungsten steel, 18.6% for 5% cobalt steel, 38.7% for stainless steel, while no duty is indicated for 3 $\frac{1}{2}$ % nickel steel. The existing duty is 30 per cent. *ad valorem* for imports of British manufacture, and 42% *ad valorem* for imports which are not of British manufacture. We consider that this duty should be maintained in respect of the first three categories of steels. As regards 3 $\frac{1}{2}$ % nickel steel, the fair ex-works price is about 40% below the landed cost ex-duty of the imported article. On the basis of comparative prices, therefore, there would be a case for the removal of the protective duty on 3 $\frac{1}{2}$ % nickel steel. But there are various types of nickel steel produced in the country and 3 $\frac{1}{2}$ % nickel steel costed by us is only one of those types. A comparison of costs and prices in respect of other types of nickel steel might show a different result, but adequate data for such a comparison were not available. Moreover, the Tata Company has been actually selling its 3 $\frac{1}{2}$ % nickel steel at Rs. 636/- per ton, which is 20% lower than the landed cost ex-duty of the imported article, thereby foregoing the advantage of the protective duty in respect of this article. We, therefore, feel that nickel steel may continue to be nominally included in the protected categories. We recommend that the existing protective duty should be maintained on all protected categories of steel, as classified in the present tariff item 63 (30).



(b) *Disposal of Government surplus stocks and Import Regulations* : The Director, Tool and Alloy Steels, in the memorandum referred to in paragraph 11, has stated that there are at present about 3,500 tons of alloy, tool and special steels, being Government surplus stocks, at Iron and Steel Controller's yard at Belur. Besides, there are about 50 small depots distributed all over the country with a total tonnage not exceeding 500 tons of surplus stocks. Moreover, there are also about 1,500 to 2,000 tons of unclassified tool steel stocks still available at Macuam in Assam, which are not available to the public outside Assam owing to transport difficulties. Taking all these stocks together, the total tonnage of Government surplus stocks of alloy, tool and special steels comes to about 6,000 tons. We believe that it will take at least two years to dispose of these surplus stocks. And until these surplus Government stocks are disposed of, we consider it reasonable that some measure of import control should be maintained. At the same time, it is important that the disposal of these stocks should be carried out in an orderly manner so as not to create any difficulty in the sale of indigenous steel, as otherwise the object of protection to the industry would be defeated. We, therefore, recommend that the present policy of co-ordination between the disposal of Government surplus stocks and indigenous production as well as that of import regulation should be continued for the entire period of protection.

(c) *Period of protection* : The previous Report of the Tariff Board was submitted to Government on 19th June, 1947. In that Report (*vide* recommendation XV), the Board recommended that an assurance of protection should be given to the industry for the period ending 31st March, 1950, that is to say, for a period of about two years and nine months. Government Resolution No. 218 T/B (10)/47, giving protection to the industry was issued on 13th March 1948. Thus, the industry has enjoyed protection only for one year so far. We recommend that the existing protection should be extended by two years more, that is, until 31st March, 1951. As the Board, under the powers conferred on it in Government Resolution No. 30-T (1)/48, dated 6th August, 1948, paragraph 2, will maintain a continuous watch over the progress of the industry during the period of protection, it may make a summary inquiry and recommend a change in the measure of protection if cost of production and import prices so justify.

15. In its previous Report (1947), the Tariff Board had recommended that the 'fair selling prices', as determined by the Board, should remain valid until 31st March 1949 and that the matter should be re-examined towards the end of 1948. Although Government accepted this recommendation in general terms, no specific orders were issued by them in this behalf. The Tata Company, however, fixed the f.o.r. Tata's prices for the four protected categories of steel at the rates determined by the Tariff Board. At the present inquiry, it was brought to the notice of the Board that the Board's recommendation that the 'fair selling prices' should remain valid for one year, had caused a certain amount of misunderstanding. By the term 'fair selling prices', the Board meant 'fair ex-works prices' and not 'ceiling prices'. In the Government Resolution on the Board's Report, however, the term 'fair selling prices' appears to have been taken to mean 'ceiling prices'. And although Government did not specifically enforce statutory 'ceiling prices',

for the protected categories of steel, the position regarding price fixation remained ambiguous. We discussed this matter with the representatives of the Tata Company and they informed the Board that they would be prepared to fix the ex-works prices of the four protected categories of steel at the rates determined by the Tariff Board and, further, that they would fix the ex-works prices of the other related categories of special steels after making due adjustment in the prices of these four categories of steel. At the same time, they claimed that if statutory ceiling prices were to be fixed, they should be allowed to include appropriate amounts for stockists' and dealers' commission over and above the ex-works prices. We were informed that the selling prices of imported steels included a commission of 20 per cent over the landed cost. The Tata Company claimed that a similar amount should also be allowed to it over and above the fair ex-works prices. We consider this claim to be reasonable. We do not propose to recommend the imposition of statutory ceiling prices. In view, however, of the preferential position that would be enjoyed by the Company under the proposed measure of protection, we recommend that the ex-works prices of the four protected categories of steel should continue to be fixed by the Company at the rates determined by the Board and that the ex-works prices of other related categories of alloy, tool and special steels should be fixed by the Company after making due adjustments in the prices of the four protected categories of steels.

16. At the public inquiry, the Indian Steel Makers' Association represented to the Board that, in examining the case for protection or assistance to the alloy, tool and special steels industry, the Board should take into account the productive capacity of the small electric (arc) steel furnaces along with that of the major producers like the Tata Company and the Mysore Iron & Steel Works. We were informed that there were a number of electric steel making furnaces in Bombay, Calcutta, Kanpur and a few other places, and that, with the exception of high speed steels and a few types of high-alloy steels, several categories of alloy steels could be manufactured in these furnaces. We were, however, advised that, in manufacturing alloy, tool and special steels, besides steel melting furnaces, a number of other highly specialized ancillary equipment, such as ingot dressing equipment, forging hammers, specially designed rolling mills, heat treatment furnaces and well-equipped chemical and metallurgical laboratories, would be required. We were not furnished with detailed information as to whether such ancillary equipment was possessed by the owners of small electrical furnaces. We were, however, informed that some of the owners of such electric (arc) furnaces were taking steps to procure necessary machinery and equipment as well as obtain competent technical assistance, so as to produce certain categories of alloy, tool and special steels. If these electrical furnace owners are able to manufacture the protected categories of alloy, tool and special steels within the next two years, they will of course enjoy the advantage of the protective duty recommended by us. We further recommend that, in connection with the orderly disposal of Government surplus stocks and for purposes of import control in respect of the protected categories of alloy, tool and special steels, the production, if any, of electric (arc) furnances should be taken into account by the Iron and Steel Controller.

**Summary of conclusions and recommendations.**

**17. Our conclusions and recommendations are summarized as under :—**

(1) The object of this inquiry is to determine what should be the measure of protection for the protected categories of alloy, tool and special steels after 31st March 1949. For this purpose, the Board has investigated the costs of production of four popular and representative types of special steels, *viz.*, (1) 18% tungsten high speed steel, (ii) 5% cobalt steel, (iii) stainless steel, and (iv) 3½% nickel steel. (Paragraph 4).

(2) So far as equipment and productive capacity of the industry are concerned, there has been practically no progress since the last inquiry held in 1947. The Tata Company has, however, placed orders for a skinning lathe and a reeling machine, which are due to arrive within a few months and which are expected to enable the Company to give a better finish to its products. The Tata Company has also developed 32 distinct brands of Tata special steels and set up a special organization to contact the consumers and explain to them the correct processing of its steels. The Company has also agreed to maintain adequate stocks of several standard sections and sizes of special steels in order to meet promptly consumers' demand for small lots. (Paragraph 6).

(3) The demand for the protected categories of alloy, tool and special steels is estimated to be between 2,275 and 2,500 tons per annum. (Paragraph 7).

(4) At the Tata Company's works, there has been an appreciable increase in the production of 'other alloy steels', but the production of high speed steels and stainless and heat resisting steels has remained much below the rated capacity of the works. We recommend that the Tata Company should take steps to increase its production of high speed and stainless steels and thereby meet the consumers' requirements for those steels to a greater extent than it has hitherto done. (Paragraph 8).

(5) The Mysore Iron and Steel Works produced 201 tons of special steels in the period July 1947/June 1948 and 56.25 tons of special steels in the period July/December 1948. The Metal and Steel (Ordnance) Factory at Ishapore produced 533 tons and 16 cwt. of alloy, tool and special steels in the period April 1947/March 1948, and 586 tons and 14 cwt. of alloy, tool and special steels in the period April/December 1948. (Paragraph 8).

(6) Estimated fair ex-works prices of (i) 18% tungsten high speed steel (¾" to 2½" squares), (ii) 5% cobalt steel (¾" to 2½" squares), (iii) stainless steel and (iv) 3½% nickel steel, are Rs. 4.417 per lb., Rs. 4.887 per lb., Rs. 1.876 per lb., and Rs. 551.83 per ton respectively. (Paragraph 9).

(7) The existing rate of protective duty is 30% *ad valorem* in respect of articles manufactured in the United Kingdom and 42% *ad valorem* in respect of articles manufactured in other countries. (Paragraph 10).

(8) The landed cost ex-duty of (i) 18% tungsten high speed steel (ii) 5% cobalt steel, (iii) stainless steel, and (iv) 3½% nickel steel, are Rs. 3.396 per lb., Rs. 4.141 per lb., Rs. 1.376 per lb., and Rs. 881.25 per ton respectively. (Paragraph 12).

(9) A comparative statement of the fair ex-works prices and landed costs of the protected categories of steel will be found in paragraph 13.

(10) The existing protective duty should be maintained on all protected categories of steel, as classified in the tariff item 63 (30). [Paragraph 14(a)].

(11) The present policy of co-ordination between the disposal of Government surplus stocks and indigenous production as well as that of import regulation should be continued for the entire period of protection. [Paragraph 14(b)].

(12) The existing protection should be extended by two years more, i.e., until 31st March 1951. [Paragraph 14(c)].

(13) There should be no statutory ceiling prices. In view, however, of the preferential position that would be enjoyed by the Tata Company under the proposed measure of protection, we recommend that the ex-works prices of the four protected categories of steel should continue to be fixed by the Company at the rates determined by the Board and that the ex-works prices of other related categories of alloy, tool and special steels should be fixed by the Company after making due adjustments in the prices of the four protected categories of steels. (Paragraph 15).

(14) If the owners of small electric arc furnaces start the production of the protected categories of alloy, tool and special steels within the period of protection, they will enjoy the benefit of the protective duty. It is further recommended that, in connection with the orderly disposal of Government surplus stocks and for purposes of import control in respect of the protected categories of alloy, tool and special steels, the production, if any, of electric arc furnaces should be taken into account by the Iron and Steel Controller. (Paragraph 16).

18. The Board wishes to thank Mr. M. K. Powvala, Iron and Steel Controller, Mr. R. P. Sataravala, Director, Tool and Alloy Steels, Mr. R. N. Kapur, the Board's Technical Adviser and Mr. R. Sundaram, the Board's Cost Accounts Officer, for the valuable help they have given in connection with the inquiry.

G. L. MEHTA,  
*President.*

H. L. DEY,  
*Member.*

M. E. RAHMAN,  
*Member.*

R. DORAISWAMY,  
*Secretary.*

BOMBAY,

*Dated 18th March 1949.*

## APPENDIX I

(Vide paragraph 3).

MINISTRY OF COMMERCE RESOLUTION NO. 30-T (1)/48 DATED 6TH AUGUST 1948

GOVERNMENT OF INDIA

MINISTRY OF COMMERCE

*New Delhi, the 6th August, 1948.*

## RESOLUTION

## TARIFFS

No. 30-T (1)/48.—In their Resolution No. 218-T (55)/45, dated the 3rd November, 1945, as partially modified by Resolution No. 28-T (37)/47, dated the 26th November, 1947, the Government of India constituted a Tariff Board for the discharge of the duties specified in the Resolution cited above. It has now been decided that the Board shall be entrusted with the following functions in addition to those enumerated in paragraph 5 of the Department of Commerce Resolution No. 218-T (55)/45, dated the 3rd November, 1945, and paragraph 2 of the Ministry of Commerce Resolution No. 28-T (37)/47, dated the 26th November, 1947 :

- (1) to enquire, as and when required by Government, into the cost of production of a commodity produced in the country and to determine its wholesale, retail or other prices, and to report on the same ;
- (2) to recommend to Government, as and when required, measures necessary for the protection of India's industries from dumping from abroad ;
- (3) to undertake studies, as and when necessary, on the effects of *ad valorem* and specific duties and tariff valuations on various articles and the effects on tariff concessions granted to other countries ; and
- (4) to report to Government, as and when necessary, on combinations, trusts, monopolies and other restraints on trade, which may tend to affect the industries enjoying protection by restricting production, or maintaining or raising prices and to suggest ways and means of preventing such practices.

2. The Tariff Board is also hereby authorised to maintain a continuous watch over the progress of protected industries by conducting enquiries, as and when necessary, on the effect of the protective duties or other means of assistance granted, and advise Government regarding the necessity or otherwise of modifying the protection or assistance granted. The Board should also keep a careful watch to ensure that conditions attached to the grant of protection were fully implemented and that the protected industries were being run efficiently.

3. In discharging the functions enumerated in paragraph 2 of this Resolution, the Board should, in the case of all industries where he is concerned, seek the assistance and advice of the Director General, Industry and Supply as an organisation, which will supply the Board with the technical assistance required in keeping the necessary watch over the growth of protected industries.

(Sd.) S. RANGANATHAN,

*Joint Secretary to the Government of India.*

## APPENDIX II (a).

(Vide paragraph 5).

**SPECIAL QUESTIONNAIRE ISSUED TO THE TATA IRON AND STEEL CO. LTD.  
BOMBAY.****GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE**

No. TB/E-40.

Office of the Indian Tariff Board,  
Contractor Building, Nicol Road,  
Ballard Estate, Bombay.*Dated the 19th January 1949.***To**The Tata Iron & Steel Co. Ltd.,  
Bombay House, Bruce Street,  
Bombay.**DEAR SIRs,**

In pursuance of para 3 of the Government of India Resolution No. 218-T/B (10)/47 dated the 13th March 1948, I am directed to inform you that the Board has decided to re-examine the fair selling prices fixed for Alloy, tool and special steels. The date of inquiry is fixed for 24th February 1949. In the meantime you are requested to furnish information on the following points :

- (1) Whether the Company desires that the scope of the inquiry should be limited to the categories examined last time or whether any other new category should be included.
- (2) The capacity and production of Alloy, tool and special steels during the financial years 1946-47, 1947-48 and during the first 9 months of 1948-49.
- (3) Whether the costs of production have materially altered since the last inquiry and if so, what are the main factors contributing to this.
- (4) Financial results of the production and sale of Alloy, tool and special steels.
- (5) The extent of the present competition from imports.
- (6) Any other points, the Company would like to represent.
- (7) Names and addresses of principal consumers.
- (8) Names and addresses of principal importers.
- (9) Names and addresses of Alloy, tool and special steels manufacturers other than your Company, if any.

Information regarding items Nos. 1, 7, 8 & 9 may be sent to the undersigned so as to reach him not later than 22nd January 1949 and a memorandum on the other points by 2nd February 1949. You are also requested to keep your books ready for the Board's Cost Accounts Officer to examine them in the 1st week of February.

Yours faithfully,

(Sd.) RAMA VARMA,  
*Deputy Secretary.*

## APPENDIX II (b).

(Vide paragraph 5).

SPECIAL QUESTIONNAIRE ISSUED TO THE MYSORE IRON & STEEL WORKS  
BHADRAVATI

GOVERNMENT OF INDIA

MINISTRY OF COMMERCE

No. TB/E-40.

Office of the Indian Tariff Board,

Contractor Bldg., Nicol Rd.,

Ballard Estate, Bombay.

*Dated the 20th January 1949.*

To

The Mysore Iron & Steel Works,  
Bhadravati (Mysore State).

DEAR SIRS,

SUBJECT.—*Continuance of protection to Alloy, Tool and Special Steels Industry.*

In pursuance of para 3 of the Government of India Resolution No. 218-T/B (10)/47 dated the 13th March 1948, a copy of which is enclosed for your ready reference, I am directed to inform you that the Board has decided to re-examine the fair selling prices of alloy, tool and special steels as fixed by the Board previously. The Board's inquiry will be held on 24th February 1949. In the meantime you are requested to furnish the Board the following information so as to reach it not later than the 2nd February 1949.

- (1) Whether the Company desires that the scope of the inquiry should be limited to the four categories of special steels examined last time or whether any other new category should be included.
- (2) The capacity and production of Alloy, Tool and Special steels during the financial years 1946-47, 1947-48 and during the first 9 months of 1948-49.
- (3) Whether the costs of production have materially altered since the last inquiry and if so, what are the main factors contributing to this.
- (4) Financial results of the production and sale of Alloy, tool and special steels.
- (5) The extent of the present competition from imports.
- (6) Any other points, the Company would like to represent.

Yours faithfully,

(Sd.) RAMA VARMA,

*Deputy Secretary.*

Encl. 1.

M:ITBB

## APPENDIX III

(Vide paragraph 5)

## SPECIAL QUESTIONNAIRE ISSUED TO THE, ORDNANCE FACTORY, ISHAPORE

GOVERNMENT OF INDIA

MINISTRY OF COMMERCE

No. TB/E/40.

Indian Tariff Board,

Contractor Bldg., Nicol Rd.,

Ballard Estate, Bombay,

The 1st February, 1949.

To

The Ordnance Factory,  
 Ishapore, 24 Parganas,  
 West Bengal.

DEAR SIRs,

SUBJECT.—*Continuance of Protection to Alloy, Tool and special steels Industry.*

In pursuance of Para 3 of the Government of India Resolution No. 218-T/B (10)/47 dated the 13th March 1948, a copy of which is enclosed for your ready reference, I am directed to inform you that the Board has decided to re-examine the fair selling prices of alloy, tool and special steels as fixed by the Board previously. The Board's inquiry is provisionally fixed for the 24th February 1949. In the meantime you are requested to furnish the Board the following information so as to reach it not later than the 10th February 1949.

1. The capacity and production of Alloy, Tool and special steels during the financial years 1946-47, 1947-48 and during the first 9 months of 1948-49.

2. Whether the costs of production of the following four categories of special steels :—

- (a) 3½% Nickel steel (3/4").
- (b) 18% W-, 4% Cr-, 1% Tungsten Steel (3/4").
- (c) 18% W-, 4% Cr-, 1% V-, 5% Cobalt Steel (3/4").
- (d) 18% Cr-, 8% Ni-, Stainless steel (3/4").

have materially altered since the last inquiry viz., 31st March 1947 and if so what are the main factors contributing to it.

3. Any other points which you think may be of assistance to the Board in connection with the said inquiry.

Yours faithfully,

(Sd.) P. V. GUNISHASTRI,

Research Officer.

Encl 1.



## APPENDIX IV

(Vide paragraph 5)

## SPECIAL QUESTIONNAIRE ISSUED TO IMPORTERS

GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE

No. TB/E-40.

Office of the Indian Tariff Board,

Contractor Bldg., Nicol Road,

Ballard Estate, Bombay.

*Dated the 20th January 1949.*

To

SUBJECT.—*Continuance of protection to the Alloy, tool and Special Steels Industry.*

DEAR SIRs,

In pursuance of para 3 of the Government of India Resolution No. 218-T/B (10)/47 dated the 13th March 1948, a copy of which is enclosed for your ready reference, I am directed to inform you that the Board has decided to re-examine the fair selling prices of Alloy, tool and special steels as fixed by the Board previously, in relation to the present c.i.f. prices and landed costs. The Board's inquiry will be held on the 24th February 1949. In the meantime you may kindly forward the following information to the Board so as to reach it not later than the 4th February 1949.

(1) Landed cost and selling price of—

- (a) 3½% Nickel steel (3/4"),
- (b) 18% W., 4% Cr., 1% V Tungsten steel (3/4"),
- (c) 18% W., 4% Cr., 1% V, 5% Co., Cobalt Steel (3/4"),
- (d) 18% Cr., 8% Ni., Stainless steel (3/4").

(2) A complete break-up of the landed cost into c.i.f. price, customs duty, clearing and other charges may be given.

(3) You are also requested to inform the Board the sources from which supply is obtained and also quantity imported since 1917 year by year.

Yours faithfully,

(Sd.) RAMA VARMA,

Deputy Secretary

Encl. 1.

## APPENDIX V

(Vide paragraph 5)

## SPECIAL QUESTIONNAIRE ISSUED TO CONSUMERS

GOVERNMENT OF INDIA

MINISTRY OF COMMERCE

No. TB/E/40.

Indian Tariff Board,

Contractor Bldg., Nicol Rd.,

Ballard Estate, Bombay--1.

*Dated the 25th January, 1949*

To

DEAR SIRs,

In pursuance of para 3 of the Government of India Resolution No. 218 T/B (10)/47 dated the 13th March 1948, the Board has decided to re-examine the fair selling prices of Alloy, tool and special steels.

In this connection, I am to request you to kindly furnish to the Board, information regarding your consumption separately of indigenous and imported

- (a) 3½% Nickel Steel (3/4"),
- (b) 18% W-, 4% Cr., 1% V Tungsten Steel (3/4"),
- (c) 18% W-, 4% Cr., 1% V, 5% Co., Cobalt Steel (3/4"),
- (d) 18% Cr., 8% Ni., Stainless steel (3/4").

with their costs. Your comments regarding their comparative qualities may also be given.

Your reply may be sent so as to reach the undersigned not later than the 4th of February 1949.

Yours faithfully,

(Sd.) P. V. GUNISHASTRI,

*Research Officer.*

## APPENDIX VI

(Vide paragraph 5)

**SPECIAL QUESTIONNAIRE ISSUED TO THE IRON AND STEEL CONTROLLER  
CALCUTTA.***7th February, 1949.*

In connection with the Tariff Board's inquiry on protection to the Alloy, Tool and Special Steels Industry, the Board will be glad if you will kindly give it information required as per questionnaire given below :

- (1) A note on the operation of import control, disposal of Government stocks and planning of orders on the Tata Iron and Steel Company Limited during 1948 for the protected categories of Alloy, Tool and Special Steels.
- (2) Orders planned on the Tata Iron and Steel Company Limited and executed by them during 1948 for the protected categories of Alloy, Tool and Special Steels. Quantities despatched ex-works and ex-godowns may be shown separately.
- (3) Quantities of protected categories of Alloy, Tool and Special Steels imported during the years 1947 and 1948.
- (4) Prices at which disposal stocks of protected categories of Alloy, Tool and Special Steels have been sold and the quantities disposed off during the year 1947 and 1948.
- (5) Anticipated Indian requirements of protected categories of Alloy, Tool and Special Steels during the next three years.
- (6) What has been the trend of selling prices of the protected categories of Alloy, Tool and Special Steels during the past three years.
- (7) A brief comment on the availability of the protected varieties of Alloy, Tool and Special Steels in countries from which these categories are usually imported into India.
- (8) Current ex-works prices of Tata's Alloy, Tool and Special Steels of protected categories.
- (9) A statement showing the comparative brands of protected varieties of Tata's and important importers of Alloy, Tool and Special Steels.
- (10) The present stocks of Ferro-Alloys in the Government Bonded stock and prices at which they are available to the manufacturers of Alloy, Tool and Special Steels in India. Are the manufacturers obliged to purchase these Ferro-Alloys from Government Bonded Stocks ?
- (11) Ferro-Alloys supplied to Tatas during 1948 and prices at which these supplies have been made from Government Bonded Stock.

\*Any other information you may think necessary in connection with the above enquiry may kindly be supplemented with the replies to this questionnaire.

## APPENDIX VII

(Vide paragraph 5)

## LIST OF THOSE TO WHOM QUESTIONNAIRES WERE ISSUED AND WHO REPLIED THERETO

(\*) Those who replied to the questionnaire.

(\*\*) Those on whose behalf, the High Speed and Tool Steel Association of India, Calcutta, replied.

*Producers.*

1. Ordnance Factory, Ishapore, 24 Parganas.
- \*2. Mysore Iron and Steel Works, Bhadravati.
- \*3. Tata Iron and Steel Co., Ltd., Bombay House, Bruce Street, Bombay.

*Importers.*

- \*\*1. Burn & Co., Ltd., Howrah.
2. Ferro Alloy & Metals Ltd., 38, Queens Road, Bombay.
- \*\*3. Heatley & Gresham Ltd., 9, Forbes Street, Bombay.
- \*4. High Speed & Tool Steel Association of India, C/o Burn and Co., Ltd., 12 Mission Row, Calcutta.
- \*5. Hakimjee Lookmanjee, C. P. Tank, Bombay.
6. J. J. Saville & Co., Ltd., C/o Volkart Brothers, Ballard Estate, Bombay.
7. Jessop and Co., Ltd., 63 Netaji Subhas Road, Calcutta 1.
8. Machine Tools (India) Ltd., Wilson Road, P.B. 522, Bombay.
9. McGregor & Balfour Ltd., 11, Netaji Subhas Road, Calcutta.
- \*10. Poldi Steel Co. (India) Ltd., P34, Mission Row, Calcutta.
11. Powells Ltd., Lamington Road, Bombay.
12. Sudsons Ltd., 10 Canning Street, Calcutta 1.
- \*13. United Steel Companies (India) Ltd., Patel House, Churchgate Street, Bombay.
- \*14. United Industrial Corporation (Agencies) Ltd., 17 Saifabad, P.O. Box 147, Hyderabad.
15. Vickers (India) Ltd., Forbes Bldg., Home Street, Bombay.
16. Volkart Brothers, 8 Netaji Subhas Road, Calcutta.
- \*17. Volkart Brothers, Ballard Estate, Bombay.
- \*\*18. William Jacks and Co., Ltd., 16 Netaji Subhas Road, Calcutta.

*Consumers.*

- \*1. Burn & Co., Ltd., 12, Mission Row, Calcutta.
2. Controller of Stores, B.B. & C.I. Rly., Mahalaxmi, Bombay.
- \*3. Controller of Stores, S.I. Rly., Golden Rock, Trichinopoly.
4. Controller of Stores, M.S. M. Rly., Esplanade East, Madras.
5. Controller of Stores, E. I. Rly., Esplanade East, Calcutta.
6. Controller of Stores, G. I. P. Rly., Parel, Bombay.
- \*7. Cooper Engineering Ltd., Satera Road.
8. Goderej & Boyce Mfg. Co., Ltd., Lal Bag, Parel, Bombay.
9. Hind Cycles Ltd., Imperial Bank Building, Fort, Bombay.
10. Indian Tool Manufacturers Ltd., 250 Worli, Bombay.
11. Jessop & Co., Ltd., 63, Netaji Subhas Road, Calcutta.
- \*12. Mysore Kirloskar Ltd., Harihar.
- \*13. Premier Automobiles Ltd., Construction House, Ballard Estate, Bombay.
- \*14. Superintendent, Gun Carriage Factory, Jubbulpore.
- \*15. Superintendent, Government Central Workshops, Amritsar.
- \*16. Praga Tools Corporation Ltd., Kavadiyuda Road, Secunderabad, Deccan.
17. Small Tool Manufacturers' Association, Imperial Bank Building, Bank Street, Bombay.

## APPENDIX VIII

(Vide paragraph 5)

LIST OF PERSONS WHO TENDERED EVIDENCE AT THE PUBLIC INQUIRY  
ON 24TH FEBRUARY 1949.*Producers :*

Mr. A. Rajagopalan Mr. J. D. Lam Mr. S. N. Sircar Mr. H. N. Dalal	}	representing	Tata Iron & Steel Co., Ltd., Bombay House, Bruce Street, Bombay.
Mr. P. V. Krishna Rao		Do.	Mysore Iron & Steel Works, Bhadravati.
Mr. R. M. Agarwala		Do.	Mukund Iron & Steel Works, 51, Mahatma Gandhi Road, Bombay.

*Importers :*

Mr. F. Stone	Do.	Poldi Steel Company (India) Ltd., P-34, Mission Row Extension, Calcutta.
Mr. A. H. Jasdawala	Do.	Hakimji Lookmanji, C.P. Tank Road, Bombay 4.
Mr. A. Srinivasan	Do.	Do.
Mr. H. Aubrey Tod	Do.	(i) Volkart Brothers, Graham Road, Ballard Estate, Bombay. (ii) High Speed & Tool Steel Association of India, c/o Burn & Co., Ltd., 12, Mission Row, Calcutta.
Mr. J. Mackenzie Mair	Do.	United Steel Companies (India) Ltd., Patel House, Churchgate Street, Bombay 1.

*Consumers :*

Mr. V. H. Meswani	Do.	The Premier Automobiles Ltd., Construction House, Ballard Estate, Bombay.
Mr. F. F. Bocker	Do.	The Praga Tools Corporation Ltd., 17, Saifabad, Hyderabad Deccan.
Mr. O. D. Friedman	Do.	Small Tool Manufacturers' Association, Im- perial Bank Bldg., Bank St., Bombay.

*Government Officials :*

Mr. M. K. Powvala	Iron & Steel Controller, 33, Netaji Subhas Road, Calcutta.
Mr. R. P. Sataravala	Director (Tool & Alloy Steels), Iron & Steel Control, 33, Netaji Subhas Road, Calcutta.

**APPENDIX IX (Vide Paragraph 11)**  
**Statement showing the quantity and value of imports of Cast Tool Steel (High Speed)**

Quantity of Imports from—	36-37	37-38	38-39	39-40	40-41	41-42	42-43	43-44	44-45	45-46	46-47	47-48	Eight months from 1st April to 30th Nov. 48.
	Tons	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.
1. U.K. (including Channel Islands).	78	18	25	27	26	14	2	..	Information available.	Do.	Do.	130	15
2. Germany ..	79	29	50	24	..	..	..	..	Do.	Do.	..	..	..
3. Czechoslovakia	14	7	..	..	..	..	..	..	Do.	Do.	..	..	..
4. U.S.A. ..	..	..	..	..	11	16	15	5	Do.	Do.	9	..	..
5. Other countries	1	3	1	..	2	..	..	11	Do.	Do.	..	..	..
Total Imports ..	172	57	76	51	39	30	17	16	..	1	117	139	15
Value of Imports from—	Ra.	Ra.	Ra.	Ra.	Ra.	Ra.	Ra.	Ra.	Ra.	Ra.	Ra.	Ra.	Ra.
1. U.K. ..	67,473	30,406	40,495	40,192	56,082	41,520	7,545	1,319	Information countrywise not available.	Do.	Do.	633,143	125,884
2. Germany ..	40,973	35,905	47,888	16,935	..	..	..	..	Do.	Do.	..	..	..
3. Czechoslovakia	7,988	16,866	..	..	..	..	..	..	Do.	Do.	..	..	..
4. U.S.A. ..	..	..	..	..	56,986	71,933	82,278	52,331	Do.	Do.	..	4,808	..
5. Other countries	4,060	2,755	6,581	3,745	10,059	724	..	64,985	Do.	Do.	..	3,208	..
Total Value of Imports.	120,494	88,932	94,964	60,872	123,127	114,177	89,823	118,635	1,532	4,370	471,853	641,164	125,884

NOTE.—The figures exclude the direct foreign trade of the Pakistan Provinces of Sind and East Bengal with effect from the 1st & the 15th August, 1947 respectively. The sea-borne trade of India with Pakistan is included therein from the 1st March 1948 from the 1st April, 1948 the figures are inclusive of Government stores and from the 1st June, 1948 they are inclusive of the foreign sea-borne trade of Kutch.

# APPENDIX X (Vide Paragraph 12).

Statement showing Landed Costs with Complete Break-up into C. I. F., Customs Duty & Clearing & other Charges of (1) 3½% Nickel Steel (1½ to 2½"); (2) 18% W., 4% Cr., 1% V. Tungsten Steel (1½ to 2½"); (3) 18% W., 4% Cr., 1% V., 5% CO. Steel (1½ to 2½"); & (4) 18% CR., 5% Nickel, Stainless Steel (1½ to 2½").

Serial No.	Source of information.	Origin of import.	3½% Nickel Steel (1½ to 2½").					18% W., 4% Cr., 1% V Tungsten Steel (1½ to 2½").				
			(Price per ton).					(Price per lb.).				
			C.I.F.	Customs Duty 30%.	Clearing & other Charges.	Landed Cost.	Selling Price.	C.I.F.	Customs Duty	Clearing & other Charges	Landed Cost.	Selling Price
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
			Ra.	Ra.	Ra.	Ra.	Ra.	Ra.	Ra.	Ra.	Ra.	Ra.
1	Volkart Brothers, Bombay ..	U.K. ..	807 8 0	242 8 0	20 6 0	1070 0 0	1280 0 0	..	..	..	..	..
2	High Speed & Tool Steel Assn. of India, Calcutta.	U.K. ..	827 8 0	243 2 0	53 12 0	1129 8 0	1411 14 0	3 4 7	0 15 9	0 1 9	4 6 1	5 4 1
3	Poldi Steel Co. (India) Ltd., Calcutta.	Czechoslovakia.	2378 14 1	999 0 8	33 9 7	3411 8 4	4200 0 0	3 13 10	1 9 11	0 0 3	5 8 0	5 10 0
4	The United Steel Companies (India) Ltd., Bombay.	U.K. ..	704 10 6	211 6 6	15 0 0	931 1 0	..	..	..	..	..	..
5	Hakimji Lookmanji, Bombay	U.K. ..	..	..	..	..	..	3 11 7	1 1 10	0 1 10	4 15 3	5 4 8
6	The United Industrial Corporation (Agencies) Ltd., Hyderabad.	U.K. ..	..	..	..	..	..	3 10 8	1 1 6	0 2 0	4 16 0	5 4 0

APPENDIX X (Vide Paragraph 12)—contd.

Serial No.	Source of information.	Origin of import.	18% W., 4% Cr., 1% V., 5% Ck. Steel ( $\frac{3}{8}$ " to 2 $\frac{1}{2}$ ").						18% Cr., 8% Nickel, Stainless Steel ( $\frac{3}{8}$ " to 2 $\frac{1}{2}$ ").					
			(Price per lb.)						(Price per lb.)					
			C.I.F.	(Customs Duty 30%)	Clearing & other charges	Landed Cost.	Selling Price.		C.I.F.	(Customs Duty 30%)	Clearing & other charges	Landed Cost.	Selling Price.	
(1)	(2)	(3)	(14)	(15)	(16)	(17)	(18)		(19)	(20)	(21)	(22)	(23)	
1	Volkart Brothers, Bombay	U.K.	..	..	..	..	..	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
2	High Speed & Tool Steel Assn. of India, Calcutta.	U.K.	4 0 1	1 3 3	0 2 2	5 5 6	6 6 7	(42%)	1 4 8	0 6 2	0 1 4	1 12 2	2 3 3	
3	Foldi, Steel Co. (India,) Ltd., Calcutta.	Czechoslovakia.	4 10 4	1 15 2	0 0 3	6 9 9	7 2 0		1 5 6	0 9 0	0 0 3	1 14 9	2 1 7	
4	The United Steel Companies (India) Ltd., Bombay.	U.K.	..	..	..	..	..		1 4 11	0 6 4	0 0 1	1 11 4	..	
5	Hakimji Lookmanji, Bombay	U.K.	4 8 6	1 5 9	0 2 2	6 0 5	6 8 0		1 4 1	0 6 0	0 0 8	1 10 9	1 15 0	
6	The United Industrial Corporation (Agencies) Ltd., Hyderabad Dn.	U.K.	4 8 0	1 5 8	0 2 8	6 0 0	6 8 0		1 4 0	0 6 0	0 0 9	1 10 9	..	